

VZCZCXYZ0007  
OO RUEHWEB

DE RUEHBU #0689/01 0821718  
ZNR UUUUU ZZH  
O 231718Z MAR 06 ZDK  
FM AMEMBASSY BUENOS AIRES  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 3929  
INFO RHMFISS/CDR USSOCOM MACDILL AFB FL//SCJ2//  
RULGPIA/USCOMSOLANT

UNCLAS BUENOS AIRES 000689

SIPDIS

STATE FOR INR/R/MR, I/GWHA, WHA, WHA/PDA, WHA/BSC,  
WHA/EPSC  
CDR USSOCOM FOR J-2 IAD/LAMA

SIPDIS

E.O. 12958: N/A

TAGS: [KPAO](#) [OPRC](#) [KMDR](#) [PREL](#) [MEDIA](#) [REACTION](#)

SUBJECT: MEDIA REACTION US-IRAN IRAQ US-SOUTH AMERICAN  
TIES ARGENTINE GOVERNMENT'S DECISION TO RESCIND AGUAS  
ARGENTINAS CONTRACT US SENATOR GRASSLEY'S STATEMENTS  
ON US FARM SUBSIDIES 03/22/06

#### 1. SUMMARY STATEMENT

Today's major international stories include Chilean President Michelle Bachelet's meeting with President Nestor Kirchner in Buenos Aires during the first state visit of her presidency; the US State Department charging Iran with having ties with Al Qaeda; US President Bush's alleged statement that US troops will stay in Iraq "at least until 2009;" the Argentine Government's decision to rescind the 30-year contract of Aguas Argentinas and its impact on the US; and US Senator Grassley's statements on US farm subsidies. Leading "Clarín" carries an op-ed that is critical of current US-South American ties.

#### 2. OPINION PIECES AND KEY STORIES

- "Iran is being linked to Al-Qaeda"

Hugo Alconada Mon, Washington-based correspondent of daily-of-record "La Nacion," comments (03/22) "In an increasing escalation against Iran, the US accused yesterday the Tehran regime of protecting and facilitating the activities of Al Qaeda terrorists in its territory, who will then attack US troops in Iraq.

"... US charges against Tehran's fundamentalist regime are somewhat similar to the diplomatic and media escalation that preceded the military offensive against Iraq.

"In this regard, US President George W. Bush said yesterday that his troops will remain in Iraq until the end of his administration in spite of requests in the US for a partial troop withdrawal.

"... US intelligence agencies suspect that Iran is developing a program to build nuclear bombs and that it harbors Al Qaeda leaders, including Abu Musab al-Zarqawi, the alleged Iraqi insurgent leader."

- "US troops will stay in Iraq at least until 2009"

Business-financial "Ambito Financiero" (03/22) reports "US President George W. Bush suggested yesterday that his country will not withdraw all its troops in Iraq while he is in power, and he denied that there is civil war in Iraq...

"Bush reiterated his message that there is progress in Iraq when US citizens increasingly doubt it, which brought his popularity ratings below 40%... In order to convince a skeptical audience, the US president embarked himself on a campaign of speeches in different parts of the country including yesterday's press conference at the White House."

- "South America and the US are going through a stormy weather"

Leading "Clarín" carries an op-ed piece by Fabian Calle, political analyst and professor of international relationships at Universidad Católica and Universidad Di Tella, who writes (03/22) "A review of statements made by key US personalities could reveal that, as of 2003/4, something has really changed regarding (US) perception of threats in Latin America and, particularly, South America."

"Who embodies this threat? It is 'radical populism,' whose main representative is Hugo Chavez, and, to a lesser degree, Evo Morales and Ollanta Humala."

"This assessment is accompanied by statements that do not seem to demonstrate a unified stance: 1) At the US State Department, Thomas Shannon said that there is a tendency to exaggerate Chavez' influence in Latin America and that the focus of attention should be the fight on poverty, inequality and lack of strong institutions; 2) US Defense Secretary Rumsfeld made a parallel between Hitler's taking power in 1933 and Chavism's election and political phenomenon since 1998; 3) from a military point of view, General B. Craddock underscored that the main threat to hemispheric security and stability is poverty,

inequality and inefficient institutions that do not provide for the people's basic needs."

"Shannon and Craddock's statements seem to honor the premise of former president Theodore Roosevelt about how the US should act in the international scenario - 'talk softly and carry a big stick.'"

"... (Academic) Niall Ferguson remarks that one of the questions that Washington will start asking in the short or medium-term is 'Who lost Latin America?'"

"He adds that in recent years the US passed from the Monroe Doctrine (which has sought the US prevalence all over the world since the 19th century) to the doctrine of 'Oh, no!..., another radical populist government has taken power.'"

"All this seems to indicate that the Bush administration is seeking to coordinate a consistent strategy combining, on the one hand, tough political and diplomatic handling of Venezuela, and, on the other hand, assistance to the region to target structural problems such as marginalism, poverty and institutional weakness."

"Those who are most distrustful seem to believe that there will be more of the first thing than of the second one. If this is so, we will probably have instability, conflict and radicalization for a long time."

- "Surprise and malaise in Washington"

Hugo Alconada Mon, Washington-based correspondent for daily-of-record "La Nación," comments (03/22) "Yesterday, the International Financial Corporation (IFC) kept silent regarding the (Argentine) Government's decision to rescind the concession

contract of Aguas Argentinas for failing to make required improvements in the water system.

"An IFC spokesperson said 'No comment. It is too premature,' although it transcended that the Argentine Government's decision unleashed surprise and true malaise at the Corporation. According to tens of documents and studies drafted by IFC analysts, Aguas Argentinas was considered a 'successful project' and a model for the privatization of water services in developing countries.

"... The Republican administration did not make any comment either about the Argentine Government's latest decisions, although, according to three government officials, it let be known its 'malaise' regarding the Argentine conflict with Uruguay over the pulp mills, the official strategy to tame inflation, and, particularly, its suspension of meat exports."

- "Doesn't hold water"

Michael Soltys, executive editor of liberal, English-language "Buenos Aires Herald," writes (03/22) "... there will not be any elections this year, thankfully, but projections of government spending took a jolt upwards with yesterday's re-nationalization of Aguas Argentinas waterworks...

"If re-nationalization proliferates into a plethora of publicly owned loss-makers and state subsidies, serious disarray could set in but the fiscal surplus looks solid enough on the basis of last month's Treasury figures.

"... Yesterday's re-nationalization of Aguas Argentinas was a rash move whose full implications still remain to be seen but the government's bill for superpowers to raise utility rates for power and gas in the name of infrastructure and investment show a new realism."

- "Bush will not lower farm subsidies"

Conservative "La Prensa" (03/22) reports "After having met with Brazilian Foreign Minister Celso Amorin, US

Republican Senator Chuck Grassley said that the US will not change its farm policy, which grants millions of dollars per year in subsidies, until it has full access to markets.

"... US Senator Grassley said 'There is a big problem with Europe.' 'I believe that unblocking agricultural negotiations is in the hands of Europe, which should cut its subsidies on exports, and both the US and Europe should reduce their subsidies on exports.'"  
To see more Buenos Aires reporting, visit our classified website at:  
<http://www.state.sgov.gov/p/wha/buenosaires>

The Media Reaction Report reflects articles and opinions by the cited news media and do not necessarily reflect U.S. Embassy policy or views. The Public Affairs Section does not independently verify information. The report is intended for internal U.S. Government use only.

LLORENS